

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

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MONTANA STATE M...
1915 E...
HELENA, MONTANA

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$14.04 /CWT

EFFECTIVE DECEMBER 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is **\$14.04** per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of eleven and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.15.

CLASS I BUTTERFAT PRICE PER POUND

\$1.15 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.64 /CWT

Average spray process dry milk solids

| | | |
|-------------------|---|-----------|
| price per pound | = | \$1.05750 |
| Multiplied by 8.2 | x | 8.2 |

\$8.67150

\$8.67150

PLUS +

Last quote of the month for Grade AA butter
minus a differential of \$.0895

| | | |
|-------------------|---|-----------|
| Multiplied by 4.2 | x | \$0.96550 |
| | | 4.2 |

\$4.05510

+ \$4.05510

LESS 8.5% (\$12.72660 X .085)

- \$12.72660
\$1.08176

\$11.64484

Rounded to the nearest whole cent

\$11.64 /hundredweight.

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND**\$1.05 /LB**

| | | | | |
|----------------------------------|-----------|----------|---|-----------|
| Butterfat differential | \$0.96550 | X .111) | = | \$0.10717 |
| Rounded to the nearest half cent | | | = | \$0.105 |

CLASS II VALUE OF ONE POUND OF SKIM**0.08253886 /LB**

| | |
|---------------------------|--------|
| Butterfat value per pound | \$1.05 |
| for milk at 3.5% test: | |

| | | |
|--|---|---------|
| Hundredweight price of milk testing 3.5% | = | \$11.64 |
| LESS 3.5 pounds of butterfat at \$1.05 per pound | - | \$3.675 |

| | | |
|------------------------------|---|---------|
| Value of 96.5 pounds of skim | = | \$7.965 |
|------------------------------|---|---------|

| | | | |
|----------------------------|----------------------|---|---------------|
| Value of one pound of skim | 7.965 / 96.5 pounds) | = | \$0.08254 /LB |
|----------------------------|----------------------|---|---------------|

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$0.87 /LB**

| | |
|---|-------------|
| Last quote of the month for Grade AA butter | |
| minus a difference of \$.0895 | = \$0.96550 |
| LESS 10% | - \$0.09655 |
| | \$0.86895 |

| | |
|-----------------------------------|-------------------|
| Rounded to the nearest whole cent | \$0.87 per pound. |
|-----------------------------------|-------------------|

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.19734 /CWT**

| | |
|--|-----------|
| Avg. spray process dry milk solid price/lb | \$1.05750 |
| Multiplied by 8.2 | 8.2 |

| | |
|----------|-----------|
| | \$8.67150 |
| LESS 17% | \$1.47416 |

\$7.19734

| | |
|-----------------------------------|---------------------------|
| Rounded to the nearest whole cent | \$7.20 per hundredweight. |
|-----------------------------------|---------------------------|

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.99 /CWT**

| | | |
|-------------------------|-----------------------|---------|
| 3.5 pounds of butterfat | \$0.87 per pound = | \$3.045 |
| 96.5 pounds of skim | \$0.07197 per pound = | \$6.945 |

\$9.990 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by: Marlys M. Koontz
 Marlys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

| CLASS I SKIM PRICE BASED ON \$14.04 FOR 3.5% MILK 96.5 LBS = \$10.015 | | CLASS II SKIM PRICE BASED ON \$11.64 FOR 3.5% MILK 96.5 LBS = \$7.965 | | CLASS III SKIM PRICE BASED ON \$9.99 FOR 3.5% MILK 96.5 LBS = \$6.945 | |
|---|-----------|---|-----------|---|-----------|
| TEST | PRICE/LB | TEST | PRICE/LB | TEST | PRICE/LB |
| 2.50 | \$0.10272 | 2.50 | \$0.08169 | 2.50 | \$0.07123 |
| 2.55 | \$0.10277 | 2.55 | \$0.08173 | 2.55 | \$0.07127 |
| 2.60 | \$0.10282 | 2.60 | \$0.08178 | 2.60 | \$0.07130 |
| 2.65 | \$0.10288 | 2.65 | \$0.08182 | 2.65 | \$0.07134 |
| 2.70 | \$0.10293 | 2.70 | \$0.08186 | 2.70 | \$0.07138 |
| 2.75 | \$0.10298 | 2.75 | \$0.08190 | 2.75 | \$0.07141 |
| 2.80 | \$0.10303 | 2.80 | \$0.08194 | 2.80 | \$0.07145 |
| 2.85 | \$0.10309 | 2.85 | \$0.08199 | 2.85 | \$0.07149 |
| 2.90 | \$0.10314 | 2.90 | \$0.08203 | 2.90 | \$0.07153 |
| 2.95 | \$0.10319 | 2.95 | \$0.08207 | 2.95 | \$0.07156 |
| 3.00 | \$0.10325 | 3.00 | \$0.08211 | 3.00 | \$0.07160 |
| 3.05 | \$0.10330 | 3.05 | \$0.08216 | 3.05 | \$0.07164 |
| 3.10 | \$0.10335 | 3.10 | \$0.08220 | 3.10 | \$0.07167 |
| 3.15 | \$0.10341 | 3.15 | \$0.08224 | 3.15 | \$0.07171 |
| 3.20 | \$0.10346 | 3.20 | \$0.08228 | 3.20 | \$0.07175 |
| 3.25 | \$0.10351 | 3.25 | \$0.08233 | 3.25 | \$0.07178 |
| 3.30 | \$0.10357 | 3.30 | \$0.08237 | 3.30 | \$0.07182 |
| 3.35 | \$0.10362 | 3.35 | \$0.08241 | 3.35 | \$0.07186 |
| 3.40 | \$0.10367 | 3.40 | \$0.08245 | 3.40 | \$0.07190 |
| 3.45 | \$0.10373 | 3.45 | \$0.08250 | 3.45 | \$0.07193 |
| 3.50 | \$0.10378 | 3.50 | \$0.08254 | 3.50 | \$0.07197 |
| 3.55 | \$0.10384 | 3.55 | \$0.08258 | 3.55 | \$0.07201 |
| 3.60 | \$0.10389 | 3.60 | \$0.08262 | 3.60 | \$0.07204 |
| 3.65 | \$0.10394 | 3.65 | \$0.08267 | 3.65 | \$0.07208 |
| 3.70 | \$0.10400 | 3.70 | \$0.08271 | 3.70 | \$0.07212 |
| 3.75 | \$0.10405 | 3.75 | \$0.08275 | 3.75 | \$0.07216 |
| 3.80 | \$0.10411 | 3.80 | \$0.08280 | 3.80 | \$0.07219 |
| 3.85 | \$0.10416 | 3.85 | \$0.08284 | 3.85 | \$0.07223 |
| 3.90 | \$0.10421 | 3.90 | \$0.08288 | 3.90 | \$0.07227 |
| 3.95 | \$0.10427 | 3.95 | \$0.08293 | 3.95 | \$0.07231 |
| 4.00 | \$0.10432 | 4.00 | \$0.08297 | 4.00 | \$0.07234 |
| 4.05 | \$0.10438 | 4.05 | \$0.08301 | 4.05 | \$0.07238 |
| 4.10 | \$0.10443 | 4.10 | \$0.08306 | 4.10 | \$0.07242 |
| 4.15 | \$0.10449 | 4.15 | \$0.08310 | 4.15 | \$0.07246 |
| 4.20 | \$0.10454 | 4.20 | \$0.08314 | 4.20 | \$0.07250 |
| 4.25 | \$0.10460 | 4.25 | \$0.08319 | 4.25 | \$0.07253 |
| 4.30 | \$0.10465 | 4.30 | \$0.08323 | 4.30 | \$0.07257 |
| 4.35 | \$0.10470 | 4.35 | \$0.08327 | 4.35 | \$0.07261 |
| 4.40 | \$0.10476 | 4.40 | \$0.08332 | 4.40 | \$0.07265 |
| 4.45 | \$0.10481 | 4.45 | \$0.08336 | 4.45 | \$0.07269 |
| 4.50 | \$0.10487 | 4.50 | \$0.08340 | 4.50 | \$0.07272 |

PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

| Month | 1998 | 1999 | Difference | % Change |
|-----------|--------------------|--------------------|------------|----------|
| January | \$15.51 | \$19.39 | \$3.88 | 25.02% |
| February | \$15.84 | \$19.89 | \$4.05 | 25.57% |
| March | \$15.80 | \$18.82 | \$3.02 | 19.11% |
| April | \$15.87 | \$12.82 | (\$3.05) | -19.22% |
| May | \$15.36 | \$14.17 | (\$1.19) | -7.75% |
| June | \$14.56 | \$14.36 | (\$0.20) | -1.37% |
| July | \$13.43 | \$13.81 | \$0.38 | 2.83% |
| August | \$15.65 | \$13.97 | (\$1.68) | -10.73% |
| September | \$17.32 | \$16.14 | (\$1.18) | -6.81% |
| October | \$17.54 | \$18.34 | \$0.80 | 4.56% |
| November | \$17.65 | \$18.81 | \$1.16 | 6.57% |
| December | \$18.59 | \$14.04 | (\$4.55) | -24.48% |
| Average | \$16.09 | \$16.21 | \$0.12 | 1.11% |

Prices are per hundredweight (CWT).

